

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW JERSEY**

<div>UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY Caption in Compliance with D.N.J. LBR 9004-1</div> <div>LOWENSTEIN SANDLER LLP Kenneth A. Rosen, Esq. Jeffrey D. Prol, Esq. One Lowenstein Drive Roseland, New Jersey 07068 (973) 597-2500 (Telephone) (973) 597-2400 (Facsimile) <i>Counsel to the Debtors and Debtors-in-Possession</i></div>	
<div>In re:</div> <div>DURO DYNE NATIONAL CORP., <i>et al.</i>,</div> <div>Debtors.¹</div>	<div>Chapter 11</div> <div>Case No. 18-27963-MBK</div> <div>Jointly Administered</div>

**DEBTORS' SUPPLEMENTAL CERTIFICATION IN SUPPORT OF
MOTIONS TO APPROVE SETTLEMENT AGREEMENTS AND
AUTHORIZE THE SALE OF POLICIES FREE AND CLEAR OF
LIENS, CLAIMS, INTERESTS, AND OTHER ENCUMBRANCES**

Pursuant to the Court's request, the Duro Dyne National Corp., Duro Dyne Corporation, Duro Dyne West Corp., Duro Dyne Midwest Corp., and Duro Dyne Machinery Corp., the above-captioned debtors and debtors-in-possession (the "Debtors"), hereby submit the following supplemental certification in support of the Plan Proponents' motions to approve settlement agreements (the "Agreements") with Hartford Accident & Indemnity Company ("Hartford A&I"),

¹ The Debtors in these Chapter 11 cases, along with the last four digits of each Debtor's tax identification number, are: Duro Dyne National Corp. (4664); Duro Dyne Machinery Corp. (9699); Duro Dyne Corporation (3616); Duro Dyne West Corp. (5943); and Duro Dyne Midwest Corp. (4662).

Federal Insurance Company (“Federal”), MidStates Reinsurance Corporation, f/k/a Mead Reinsurance Corp. (“MidStates”), Munich Reinsurance America, Inc., f/k/a American Re-Insurance Company (“MRAm”) (collectively, the “Approval Motions”).² See ECF Nos. 468-1, 500-1, 518-1, 522-1.

The Debtors’ understanding of the remaining limits of the policies to be sold under each of the Agreements is as follows:

I. HARTFORD

A. The Policies

Policies			
Policy No.	Policy Period	Limits	Remaining Limits
12 RHU VJ9777	6/23/86–6/23/87	\$4,000,000	\$3,644,754
12 RHU VJ9777	6/23/87–6/23/88	\$4,000,000	\$3,644,754
12 RHU VG9777	6/23/88–6/23/89	\$5,000,000	\$4,644,754
TOTAL:		\$13,000,000	\$11,934,262

The remaining Policies subject to the Hartford A&I Agreement are exhausted primary policies.

B. The Released Overseas Policy Interests

The Parties to the Hartford A&I Agreement executed mutual releases with respect to any Claims based on, arising from, or attributable to certain Overseas Policies that arise from (a) exposure or alleged exposure to asbestos (including any Asbestos Claims); and (b) any Claim discharged under any Plan (the “Released Overseas Policy Interests,” as defined in the Hartford A&I Agreement). The Parties’ understanding, based on information obtained to date, is that the

² Except as otherwise defined herein, all capitalized terms used herein shall have the meanings ascribed to them in their respective Agreements.

Overseas Policies apply only to foreign risks (not including Canada), and thus provide no coverage for any Released Overseas Policy Interests.

II. FEDERAL

Policy No.	Policy Period	Limits	Remaining Limits
FXL 7702037	5/15/72–8/1/75	\$3,000,000	\$3,560,024.17 ³
FXL 79237702	8/1/75–3/8/78	\$3,000,000	
TOTAL:		\$6,000,000	\$3,560,024.17

The remaining Policies subject to the Federal Agreement are exhausted primary policies.

III. MIDSTATES

Policy No.	Policy Period	Limits	Remaining Limits
UMB 1080	5/23/80–5/11/81	\$3,000,000	\$2,878,760.15
UMB 1193	5/11/81–5/11/82	\$5,000,000	\$4,878,760.16
UMB 1373	5/11/82–5/11/83	\$5,000,000	\$4,878,760.16
TOTAL:		\$13,000,000	\$12,636,280.47

MidStates's status as a runoff insurer that is not generating new business was also relevant to the Debtors' settlement analysis.

IV. MRAM

Policy No.	Policy Period	Limits	Remaining Limits
M1666475	9/9/77–9/9/78	\$1,000,000	\$1,000,000
EUR400592	9/9/78–9/9/79	\$1,000,000	\$1,000,000
EUL5070240	9/9/79–9/9/80	\$1,000,000	\$1,000,000
TOTAL:	Debtors' Position:	\$3,000,000	\$3,000,000
	MRAM Position:	\$1,000,000	\$1,000,000

³ The Debtors do not know the specific breakdown of remaining limits between the two unexhausted Federal Policies.

MRAm has contended that its three policies combined offer only \$1,000,000 in total available limits based on the policies' non-cumulation and prior insurance clauses.

V. ADDITIONAL SETTLEMENT CONSIDERATIONS

In addition to the face value of the limits of each policy released under the Agreements, the Debtors' settlement analysis was driven by: (i) when, if ever, those limits would be accessed or eroded by covered claims (an issue hotly disputed by the Debtors and the insurers in the Coverage Action); (ii) the time value of money; and (iii) the risks, expense, and delays of continued litigation with each of the insurers.

Dated: March 28, 2019

By: /s/ Jeffrey D. Prol

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